

# NEW APPLICATION



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ARIZONA CORPORATION COMMISSION  
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## BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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Docket No. T-20872A-14-0330

IN THE MATTER OF THE APPLICATION OF  
AT&T CORP. FOR AN ORDER RESCINDING THE  
BOND REQUIREMENT CONTAINED IN  
ARIZONA CORPORATION COMMISSION  
DECISION NO. 73558

APPLICATION

AT&T Corp. requests rescission of the \$200,000 bond requirement imposed by the Arizona Corporation Commission ("the Commission") in Decision No. 73558 (October 17, 2012).

### BACKGROUND

AT&T Corp. was granted a Certificate of Convenience and Necessity to provide facilities-based local exchange and long distance telecommunications services in Arizona in Decision No. 73558. Its original certification was under the name of AT&T Communications of the Mountain States, Inc. ("AT&T Mountain States"); however, the Commission approved a corporate merger of AT&T Mountain States with AT&T Corp. in 2012.<sup>1</sup>

As a condition of approval of the merger, the Commission required AT&T Corp. to procure a performance bond of \$200,000, to be increased in increments of \$100,000 when the total amount of any customer advances, deposits, and prepayments is within \$20,000 of the bond

<sup>1</sup> See In the Matter of AT&T Communications of the Mountain States, Inc. and AT&T Corp. for Approval of a Proposed Corporate Reorganization and Merger, OPINION AND ORDER, Decision 73558, Docket No. T-02428A-12-0234 (dated October 17, 2012).

1 amount.<sup>2</sup> AT&T Corp. has complied with this order of the Commission and currently maintains  
2 a performance bond in the amount of \$200,000.

### 3 DISCUSSION

4 AT&T Corp. is subject to the Arizona Competitive Telecommunications Services Rules,  
5 A.A.C. R14-2-1101 *et seq.*, and must comply with all rules applicable to the provision of  
6 intrastate telecommunications services under the terms of its certification. Specifically, "[i]n  
7 appropriate circumstances, the Commission may require, as a precondition to certification, the  
8 procurement of a performance bond sufficient to cover any advances or deposits the  
9 telecommunications company may collect from its customers, or order that such advances or  
10 deposits be held in escrow or trust." A.A.C. R14-2-1105(D).

11 AT&T Corp. has complied with the requirements of its certification, including filing  
12 annual reports, paying annual assessments, and maintaining the performance bond. It has  
13 complied with all applicable Commission rules, regulations, and orders. There are currently no  
14 formal complaints against the Company, and any prior formal or informal complaints have been  
15 resolved.

16 The performance bond AT&T Corp. has in place for Arizona has never been drawn upon  
17 or requested. Obtaining and maintaining this bond creates an expense for it and will continue to  
18 do so.<sup>3</sup>

19 The Commission recently, in similar circumstances, has relieved CLECs of the  
20 performance bond requirement. *See e.g., In the Matter of the Application of Eschelon Telecom*  
21 *of Arizona, Inc. for Approval of an Order Rescinding Its Bond Requirement*, Decision No. 74555

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22 <sup>2</sup> Decision 73558, First Ordering Paragraph at page 7.

23 <sup>3</sup> The Applicant is one of three affiliates certificated in Arizona and subject to a bond requirement. Because the  
24 bond requirements have a collective impact on the affiliated companies, the two other affiliates (Teleport  
Communications America, LLC and SBC Long Distance, LLC) are filing concurrent rescission applications.

1 (June 20, 2014); *In the Matter of the Application of Dishnet Wireline L.L.C. for Approval for*  
2 *Rescission of Bond Requirement Contained in Decision No. 72496*, Decision No. 74493 (May  
3 23, 2014); *In the Matter of the Application of Tw Telecom of Arizona LLC for Approval of*  
4 *Rescission of Bond Requirement Contained in ACC Decision 70057*, Decision No. 74497  
5 (May 23, 2014); *In the Matter of the Application of XO Communications Services., LLC for*  
6 *Approval of Rescission of Bond Requirement Contained in Arizona Corporation Commission*  
7 *Decision No. 70471*, Decision No. 74490 (May 23, 2014).

8 AT&T Corp. believes that maintaining its performance bond is no longer necessary. It  
9 has proven its financial, technical, and managerial ability to provide services in Arizona. It has  
10 substantial investment in Arizona. It collects deposits only under its Commission-approved  
11 tariffs. Rescinding the performance bond will not alter the rates, terms, or conditions of service  
12 to the Company's customers, and will not adversely impact service.

13 Removing the performance bond requirement also will put AT&T Corp. on equal footing  
14 with other CLECs currently operating in Arizona.

### 15 CONCLUSION

16 For the reasons stated above, the granting of a waiver of A.A.C. R14-2-1105(D) is  
17 appropriate and in the public interest. Therefore, the AT&T Corp. requests that the Commission  
18 rescind the performance bond requirement ordered in Decision No. 73558 (October 17, 2012).

1 RESPECTFULLY SUBMITTED this 11th day of September, 2014.

2 GALLAGHER & KENNEDY, P.A.

3  
4 By 

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8 **Original and 13 copies** filed this  
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12 **Copies** of the foregoing delivered  
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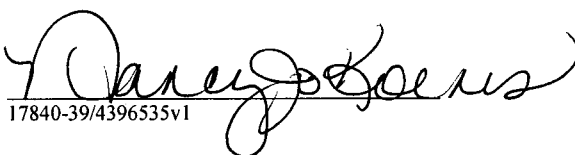
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